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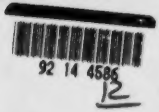



SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

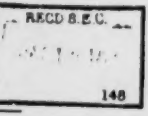
For the quarter ended March 31, 1992

I92-2229

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ ____ to ____




Commission File No. 0-15862

GVC VENTURE CORP.
(Exact name of registrant as specified in its charter)

| Delaware | 13-3018466 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 149 Addison Road, Windsor, CT | 06095 |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: 203-688-6421

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

Indicate the number of shares outstanding of each of issuer's classes of common stock, as of the latest practicable date:

The number of shares outstanding of the issuer's Common Stock, $.10 par value, as of May 12, 1992, was 2,250,390.

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GVC VENTURE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| (In thousands, except per share data) | March 31, 1992 | June 30, 1991 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 278 | $ 215 |
| Accounts receivable (net of allowance of $33 and $22) | 643 | 724 |
| Inventories, principally raw materials and componentry | 195 | 191 |
| Prepaid expenses and other current assets | 134 | 60 |
| Total Current Assets | 1,250 | 1,190 |
| Machinery and equipment at cost | 1,229 | 822 |
| Less allowances for depreciation | 190 | 83 |
| Net machinery and equipment | 1,039 | 739 |
| Library file (net of amortization of $37 and $18) | 355 | 374 |
| Non-competition agreement (net of amortization of $90 and $45) | 210 | 235 |
| Other assets (net of amortization of $46 and $25) | 166 | 181 |
| Total Assets | 3,020 | 2,739 |
| **Liabilities and Stockholders' Equity** | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | $ 707 | $ 727 |
| Note payable - bank | 400 | 100 |
| Current installments on long-term debt | 108 | 63 |
| Total Current Liabilities | 1,215 | 890 |
| Other Liabilities | 23 | 28 |
| Long term debt leasing | 307 | 215 |
| Subordinated convertible debt | 275 | - |
| Stockholders' Equity | | |
| Common stock--$.10 par value; 10,000,000 shares authorized, 2,250,390 shares and 2,244,390 shares issued and outstanding | 225 | 224 |
| Paid-in capital | 1,683 | 1,683 |
| Translation adjustment | (10) | (10) |
| Deficit | (700) | (291) |
| Treasury Stock (73 shares) | - | - |
| Total Stockholders' Equity | 1,200 | 1,606 |
| Total Liabilities & Stockholders' Equity | $ 3,020 | $ 2,739 |

See Notes to Consolidated Financial Statements

GVC VENTURE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| | 1992 | 1991 | 1992 | 1991 Proforma |
| (In Thousands except per share data) | | | | |
| Revenues | $1,305 | $1,108 | $3,725 | $3,671 |
| Cost of Sales | 820 | 661 | 2,634 | 2,245 |
| Gross Profit | 485 | 447 | 1,091 | 1,426 |
| Selling, General & Administrative Expenses | 456 | 552 | 1,459 | 1,716 |
| Operating Profit/(Loss) | 29 | (105) | (368) | (290) |
| Interest Income/(Expense) | (16) | 2 | (34) | 23 |
| Gain/(Loss) on Sale of Fixed Assets | - | - | 3 | - |
| Net Income/(Loss) before Income Taxes | 13 | (103) | (399) | (267) |
| Franchise Tax | 3 | 3 | 10 | 6 |
| Net Income/(Loss) | $ 10 | $ (106) | $ (409) | $ (273) |
| Income/(Loss) per share of common stock | $ - | $ (.05) | $ (.18) | $ (.12) |
| Weighted average number of common shares outstanding | 2,745,390 | 2,239,390 | 2,245,390 | 2,237,168 |

See Notes to Consolidated Financial Statements

GVC VENTURE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| | Nine Months Ended March 31, 1992 | Six Months Ended March 31, 1991 |
|---|---|---|
| | (In Thousands) | |
| Operating Activities | | |
| Net Loss | (409) | (255) |
| Adjustments to reconcile net loss to net cash provided (used) by operating activities: | | |
| Depreciation | 107 | 43 |
| Amortization of library file | 19 | 12 |
| Amortization of non-competition agreement | 45 | 15 |
| Amortization of other assets | 29 | 32 |
| Write-off of Fixed Assets | - | 5 |
| Translation Component on Equity | - | 1 |
| Changes in operating assets and liabilities-net: | | |
| (Increase) decrease in accounts receivables | 81 | (6) |
| (Increase) decrease in inventories | (4) | (1) |
| (Increase) decrease in prepaid expenses, other current assets and other assets | (88) | 7 |
| Increase (decrease) in accounts payable, accrued expenses and other current liabilities | (20) | 110 |
| Increase (decrease) other liabilities | (5) | - |
| Net Cash provided (used) by operating activities | (245) | (37) |
| Investing Activities: | | |
| Purchase of machinery and equipment | (213) | (156) |
| Proceeds from sale of machinery and equipment | 2 | 9 |
| Net Cash provided (used) by investing activities | (211) | (147) |
| Financing Activities: | | |
| Increase (decrease) in note payable - bank | 300 | - |
| Issuance of subordinated convertible debt | 275 | - |
| Issuance of common stock for services rendered | 3 | - |
| Repayment of lease financing | (59) | (9) |
| Net Cash provided (used) by financing activities | 519 | (9) |
| Increase (decrease) in cash and cash equivalents | 63 | (193) |
| Cash and cash equivalents at beginning of period | 215 | 441 |
| Cash and cash equivalents at end of period | 278 | 248 |

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(continued)

| | Nine Months Ended March 31, 1992 | Six Months 1991 |
|---|---|---|
| | (In Thousands) | |
| Note 1: Interest and Income Taxes paid were as follows | | |
| Interest | 33 | 4 |
| Income Taxes | 19 | 9 |

Note 2: During the first nine months of fiscal 1992 the Company incurred a capital lease obligation of $196,000 in connection with lease agreements to acquire fixed assets.

See Notes to Consolidated Financial Statements

GVC VENTURE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| | Three Months Ended August 25, 1990 Preston Engravers Predecessor (In Thousands) |
|---|---|
| Operating Activities | |
| Net Profit | 141 |
| Adjustments to reconcile net loss to net cash provided (used) by operating activities: | |
| Depreciation | 33 |
| Amortization of other assets | 7 |
| Changes in operating assets and liabilities-net: | |
| (Increase) decrease in accounts receivables | 14 |
| (Increase) decrease in prepaid expenses, other current assets and other assets | 7 |
| Increase (decrease) in accounts payable, accrued expenses and other current liabilities | 33 |
| Net Cash provided (used) by operating activities | 235 |
| Investing Activities: | |
| Purchase of machinery and equipment | - |
| Proceeds from sale of machinery and equipment | |
| Net Cash provided (used) by investing activities | - |
| Financing Activities: | |
| Cash transfer to Quincy Technologies | (235) |
| Net Cash provided (used) by financing activities | (235) |
| Increase (decrease) in cash and cash equivalents | - |
| Cash and cash equivalents at beginning of period | 2 |
| Cash and cash equivalents at end of period | 2 |

GVC VENTURE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

A. The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Regulation S-X related to the preparation of interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Operating results for the nine months ended March 31, 1992 are not necessarily indicative of the results that may be expected for the full year ending June 30, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 1991.

B. On October 3, 1990 Preston Engravers Inc. ("Preston"), a wholly-owned subsidiary of the Company, acquired the assets of the Preston Engravers division of Quincy Technologies, Inc. for $1,561,000 in cash plus the assumption of certain liabilities. Preston Engravers is engaged in the manufacture and sale of rotary tooling for the printing industry and had revenues of approximately $5 million for the year ended May 26, 1990.

C. The results for Preston Engravers for the three months ended August 25, 1990, were as follows:

| Statement of Operations | (In Thousands) |
|---|---|
| Revenues | $1,251 |
| Cost of Sales | 767 |
| Gross Profit | 484 |
| Selling, General & Administrative Expenses | 343 |
| Operating Profit/(Loss) | $ 141 |

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations - Three Months Ended March 31, 1992 Compared with Three Months Ended March 31, 1991

Revenues of $1,305,000 increased by $197,000 from the same period in the prior year, as a result of the Company gaining new customers.

Cost of sales of $820,000 increased by 24% from the corresponding period in the prior year. The majority of the increase relates to higher sales and somewhat to the longer than anticipated integration period for the new manufacturing techniques.

Selling, general and administrative expenses of $456,000 decreased by $96,000 from the prior year due to cost reductions.

Interest expense of $16,000 increased by $18,000 from the prior year resulting from interest on equipment leases and the bank credit line and lower cash balances available for investments.

Franchise taxes of $3,000 were for the states of Connecticut and Delaware.

Results of Operations - Nine Months Ended March 31, 1992 Compared with Nine Months Ended March 31, 1991 Proforma

Revenues of $3,725,000 for the nine months ended March 1992 increased by $54,000 over the prior period due to new customers somewhat offset by the weak U.S. economy.

Cost of sales of $2,634,000 was 17% higher than the corresponding period in the prior year as a result of having to introduce new manufacturing techniques and equipment and at the same time meet industry accepted delivery schedules which led to higher than anticipated labor costs and overtime charges.

Selling, general and administrative expenses of $1,459,000 were $257,000 lower due to the elimination of directors and officers liability insurance ($36,000), absence of a major trade show in the current year ($25,000) and cost reductions due to computerization.

Interest expense of $34,000 increased by $57,000 due to additional equipment leases, use of the bank credit line and lower cash balances available for investments.

Franchise taxes of $10,000 were for the states of Connecticut and Delaware.

Liquidity and Capital Resources

During the first nine months of fiscal 1992 the Company had a positive cash flow of $63,000 due to issuance of $275,000 in subordinated convertible debentures, utilizing $300,000 of its bank credit line and $200,000 depreciation and amortization of assets. These funds were used to fund the loss of $409,000 from operations, purchases of new equipment $213,000, and repayment of lease financing $59,000.

## Part II

Item 5. Other Information

The Company was advised by NASDAQ on or about April 1, 1992 that its common stock was trading at a price less than that required for continued inclusion on the NASDAQ system. NASDAQ has not commenced a delisting action but advised the Company that it had ninety days within which to comply with NASDAQ's requirements. The Company cannot ensure that its stock price will enable it to continue to be listed on NASDAQ, and no assurance can be given that the Company will continue to be listed on NASDAQ.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GVC VENTURE CORP.

Date: May 12, 1992

By: _____
Russell Banks,
Chairman of the Board
of Directors
(Principal Executive
Officer)

Date: May 12, 1992

By: _____
Marc J. Hanover
Vice President-Finance
and Treasurer (Principal
Financial and Accounting
Officer)